

CHAPTER NO. 670

SENATE BILL NO. 3621

By Finney, Kilby

Substituted for: House Bill No. 3553

By McCord, Overbey, Gresham, Baird

AN ACT to amend Tennessee Code Annotated, Title 6, Chapter 54, relative to municipal relationships with industrial development corporations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 6-54-118, is amended by deleting the section in its entirety and substituting instead the following:

(a) Notwithstanding any other provision of law to the contrary, a municipality may appropriate funds, which may be funds borrowed by the municipality under applicable law, for the purpose of making a loan, with reasonable interest assessed, or a contribution to an eligible industrial development corporation, as defined below, for the purpose of economic development or industrial development, or both. Without limiting the foregoing, a municipality may also agree for such period of time as the municipality may determine pursuant to an interlocal agreement entered into under § 12-9-104 that relates to the joint development or operation of an industrial park or a business park to contribute to any eligible industrial development corporation that is identified in the interlocal agreement as the entity responsible for the development or operation of the industrial park or business park an amount equal to the property taxes that the municipality receives with respect to the property, including personal property, located within the industrial park or business park. Any amounts contributed to an industrial development corporation pursuant to the preceding sentence shall be deemed revenues of the industrial development corporation which may be used for any lawful purpose of the industrial development corporation. Without limiting the foregoing, any industrial development corporation that is identified in an interlocal agreement as the entity responsible for the development or operation of an industrial park or business park shall be authorized to distribute to any municipality, that is a party to the interlocal agreement, any revenues received by the industrial development corporation with respect to the industrial park or business park that are in excess of the amounts that are needed to pay the expenses of developing and operating such industrial park or business park.

(b) For purposes of this section:

(1) "Municipality" shall have the same meaning as in § 7-53-101; and

(2) "Eligible industrial development corporation" means:

(A) Any industrial development corporation incorporated in the county in which such municipality is located;


(B) Any industrial development corporation formed jointly by the municipality and other municipalities pursuant to § 7-53-104(b); and

(C) Any industrial development corporation that has been identified in an interlocal agreement to which a municipality is party as the entity that will be responsible for the development or operation of an industrial park or business park.

SECTION 2. This act shall take effect upon becoming law, the public welfare requiring it.

PASSED: May 4, 2006


JOHN S. WILDER
SPEAKER OF THE SENATE


JIMMY NAIFEH, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 15th day of May 2006


PHIL BREDESEN, GOVERNOR